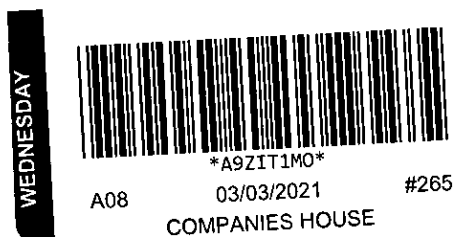


BROADWAY LIVING LIMITED

BROADWAY LIVING LIMITED

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st MARCH 2020**

COMPANY NUMBER 08961320



BROADWAY LIVING LIMITED

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BROADWAY LIVING LIMITED

COMPANY INFORMATION

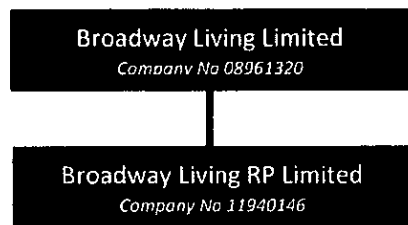
DIRECTORS: L Taylor (Chair) (resigned 9 November 2020)
M Hill
J Higgins (Chair from 9 November 2020)
M Wiltshire (resigned 9 November 2020)
T Quinn (appointed 9 November 2020)
S Yaqub (appointed 9 November 2020)

COMPANY SECRETARY: Waterstone Company Secretaries Limited
3rd Floor, 5 St. Bride Street
London
EC4A 4AS

REGISTERED OFFICE: 4th Floor, Perceval House
14 - 16 Uxbridge Road
Ealing
London
W5 2HL

AUDITOR: Deloitte LLP
Statutory Auditor
St Albans

GROUP INFORMATION



Broadway Living Limited has one subsidiary Broadway Living RP Limited, incorporated on 11 April 2019, Broadway Living RP Limited has been dormant since incorporation.

The dormant subsidiary Broadway Living RP Limited is exempt from the requirement to prepare and file Financial Statements under sections 394(A) and 448(A) of the Companies Act 2006

BROADWAY LIVING LIMITED

DIRECTORS' REPORT

Directors

L Taylor (Chair) (resigned 9 November 2020)
M Hill
J Higgins (Chair from 9 November 2020)
M Wiltshire (resigned 9 November 2020)
T Quinn (appointed 9 November 2020)
S Yaqub (appointed 9 November 2020)

The Directors above held office during the whole of this years Consolidated and Parent Company Financial Statements made up to the 31.03.2020.

There have been resignations and new appointments since the 31.03.2020, with details of those resignations and new Directors appointments as set out above.

Directors indemnities

The Broadway Living Limited has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Group Structure

Broadway Living Limited has one subsidiary Broadway Living RP Limited, incorporated on 11 April 2019, Broadway Living RP Limited has been dormant since incorporation.

Covid-19

The principal activity of Broadway Living Limited is property rental, which makes up the whole of turnover included within the Consolidated Statement of Comprehensive Income, the outbreak of the Covid-19 pandemic places a risk on the ability of tenants to meet their on-going commitment to pay monthly rents. Despite Government lockdown measures to contain the virus, collection rates remain above 95% for the first part of the 2020/21 financial year, and the Directors are regularly updated on the latest rents position through the monthly Housing Management Report presented to the Board monthly.

Brexit

Following the referendum held on 23 June 2016 and the UK's decision to leave the EU, there is consequential uncertainty surrounding the UK economy and the impact that this decision will have, The potential effects can influence different areas of the business the main consideration being State Aid and the any implications on loan borrowing rates, we await the outcome of the Brexit negotiations to assess the full impact, if any.

Auditor

Each Director who held office at the date of approval of this report confirms that:

(a) so far as the Directors are aware, there is no relevant audit information, information needed by the Group's and Company's auditor in connection with preparing their report, of which the Group's and Company's auditor is unaware; and

(b) the Directors have taken all steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Group's and Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

BROADWAY LIVING LIMITED

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

This report has been prepared taking advantage of the exemptions for small companies within Part 15 of the Companies Act 2006, including the provisions of section 1A of FRS102.

Approved by the Board and signed on its behalf by:

John Higgins

John Higgins (Dec 17, 2020 16:51 GMT)

J Higgins
Director

.....17th December 2020.....

Date

4th Floor, Perceval House
14 - 16 Uxbridge Road
Ealing
London
W5 2HL

BROADWAY LIVING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 Section 1A "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the year. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BROADWAY LIVING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROADWAY LIVING LIMITED

Report on the audit of the Financial Statements

Opinion

In our opinion the financial statements of Broadway Living Limited (the 'parent company') and its subsidiary (the 'group'):

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company statement of financial position;
- the consolidated and parent company statement of changes in equity; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - material uncertainty related to property valuation

We draw attention to note 4, which describes the effects of the uncertainties created by the coronavirus (COVID-19) pandemic on the valuation of the company's property portfolio.

As noted by the group and parent company's external valuer, the pandemic has caused extensive disruptions to businesses and economic activities and the uncertainties created have increased the estimation uncertainty over the valuation of property portfolio at the balance sheet date.

Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

BROADWAY LIVING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROADWAY LIVING LIMITED (CONTINUED)

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

BROADWAY LIVING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROADWAY LIVING LIMITED (CONTINUED)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Gooding, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St Albans, United Kingdom
17 December 2020

BROADWAY LIVING LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31st March 2020

	Notes	2020 £	Restated 2019 £
Turnover		724,866	704,340
Cost of sales		<u>(177,983)</u>	<u>(139,900)</u>
GROSS PROFIT		546,883	564,440
Administrative expenses		<u>(406,387)</u>	<u>(360,581)</u>
OPERATING PROFIT		140,496	203,859
Finance costs (net)	2	<u>(546,989)</u>	<u>(505,800)</u>
LOSS BEFORE TAXATION	3	(406,493)	(301,941)
Taxation		<u>-</u>	<u>-</u>
LOSS FOR THE YEAR		<u>(406,493)</u>	<u>(301,941)</u>
Gains arising on revaluation of tangible fixed assets		231,899	449,941
Deferred taxation arising on the revaluation of tangible fixed assets		<u>(44,061)</u>	<u>(85,489)</u>
OTHER COMPREHENSIVE INCOME		<u>187,838</u>	<u>364,452</u>
TOTAL COMPREHENSIVE (EXPENSE)/INCOME ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE GROUP		<u>(218,655)</u>	<u>62,511</u>

Broadway Living Limited has taken the exemption from presenting its unconsolidated profit and loss for the financial year under s408 of the Companies Act 2006, the profit and loss for the financial year is shown in the Consolidated and Parent Company Statement of Financial Position.

The notes on pages 11-19 form part of these Consolidated and Parent Company Financial Statements.

BROADWAY LIVING LIMITED

CONSOLIDATED and PARENT COMPANY STATEMENT OF FINANCIAL POSITION As at 31st March 2020

	Notes	Group 2020 £	Company 2020 £	Restated 2019 £
FIXED ASSETS				
Tangible assets	4	14,018,273	14,018,273	10,428,398
Intangible assets	5	-	-	-
		14,018,273	14,018,273	10,428,398
CURRENT ASSETS				
Debtors	6	105,580	105,580	64,550
Cash at bank and in hand		774,339	774,339	703,981
		879,919	879,919	768,531
Creditors: amounts falling due within one year	7	(2,334,501)	(2,334,501)	(1,126,727)
Net current liabilities		(1,454,582)	(1,454,582)	(358,196)
TOTAL ASSETS LESS CURRENT LIABILITIES		12,563,691	12,563,691	10,070,202
Creditors: amounts falling due after more than one year	8	(10,703,083)	(10,703,083)	(8,035,000)
Provision for liabilities: deferred taxation		(176,880)	(176,880)	(132,819)
NET ASSETS		1,683,728	1,683,728	1,902,383
CAPITAL AND RESERVES				
Called up share capital		3	3	3
Share premium account		2,136,363	2,136,363	2,136,363
Profit and loss account		(1,206,705)	(1,206,705)	(800,212)
Revaluation reserve		754,067	754,067	566,229
SHAREHOLDERS' FUNDS		1,683,728	1,683,728	1,902,383

The Consolidated and Parent Company Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006, including the provisions of section 1A of FRS102. (No Group existed for prior year comparatives).

The Consolidated and Parent Company Financial Statements of Broadway Living Limited (registered number 08961320) were approved by the Board of Directors and authorised for issue on date: 14th December 2020.

They were signed on its behalf by:

John Higgins

J Higgins, Director

17th December 2020

Date

BROADWAY LIVING LIMITED

CONSOLIDATED and PARENT COMPANY STATEMENT OF CHANGES IN EQUITY For the year ended 31st March 2020

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total
	£	£	£	£	£
At 31st March 2018 (as previously stated)	3	2,136,363	249,107	(498,271)	1,887,202
Changes due to prior year error	-	-	(47,330)	-	(47,330)
At 1st April 2018 (Restated)	3	2,136,363	201,777	(498,271)	1,839,872
Loss for the financial year	-	-	-	(301,941)	(301,941)
Gains arising on the revaluation of tangible fixed assets	-	-	449,941	-	449,941
Deferred taxation arising on the revaluation of tangible fixed assets	-	-	(85,489)	-	(85,489)
Total comprehensive income	-	-	364,452	(301,941)	62,511
At 31st March 2019 (Restated)	3	2,136,363	566,229	(800,212)	1,902,383
Loss for the financial year	-	-	-	(406,493)	(406,493)
Gains arising on the revaluation of tangible fixed assets	-	-	231,899	-	231,899
Deferred taxation arising on the revaluation of tangible fixed assets	-	-	(44,061)	-	(44,061)
Total comprehensive income	-	-	187,838	(406,493)	(218,655)
At 31st March 2020	3	2,136,363	754,067	(1,206,705)	1,683,728

BROADWAY LIVING LIMITED

NOTES TO THE CONSOLIDATED and PARENT COMPANY FINANCIAL STATEMENTS For the year ended 31st March 2020

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

1.1 General information

Broadway Living Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of Broadway Living Limited registered office is shown on page 3.

Broadway Living Limited has had no employees during financial years 2020 and 2019.

Broadway Living Limited has one subsidiary Broadway Living RP Limited, incorporated on 11 April 2019, Broadway Living RP Limited has been dormant since incorporation, shown on page 3.

The dormant subsidiary Broadway Living RP Limited is exempt from the requirement to prepare and file Financial Statements under sections 394(A) and 448(A) of the Companies Act 2006.

Broadway Living Limited as parent undertaking provided guarantee under section 394C and 448C of the Companies Act 2006, for the financial year 2019/20

1.2 Basis of accounting

The Consolidated and Parent Company Financial Statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS102) 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' issued by the Financial Reporting Council.

1.3 Basis of Consolidation

The Group Financial Statements consolidate the Financial Statements of Broadway Living Limited and its subsidiary Broadway Living RP Limited.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

1.4 Going Concern

The Directors have prepared cash flow forecasts for a period of twelve months from the date of approval of these Consolidated and Parent Company Financial Statements which indicate that, taking account of reasonably possible downsides, the Group and the Parent Company will have sufficient funds, through funding from the London Borough of Ealing, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on London Borough of Ealing not seeking repayment of the loan (£10,703,083) and interest amounts (£1,452,749) currently due to the Council, which at 31 March 2020 amounted to £12,155,832 and providing additional financial support during that period. London Borough of Ealing has confirmed via a Letter of Support its intention to continue to make available such funds as are needed by the Group and the Parent Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts.

Consequently, the Directors are confident that the Group and the Parent Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the Consolidated and Parent Company Financial Statements and consequently have prepared the Consolidated and Parent Company Financial Statements on a going concern basis.

BROADWAY LIVING LIMITED

NOTES TO THE CONSOLIDATED and PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st March 2020

1.5 Critical judgements and key sources of estimation uncertainty

In the application of the Group and the Parent Company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i) **Critical judgements in applying the Group and Parent Company's accounting policies**
There are no critical judgements, apart from those involving estimations which are dealt with separately in the 'Key sources of estimation uncertainty' section

ii) **Key sources of estimation uncertainty**
The key assumptions concerning the future, and other key sources of estimation uncertainty at the Consolidated and Parent Company Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed in note 4 tangible assets.

1.6 Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Buildings depreciation - Straight line over life of lease (Between 122 to 125 years)

Buildings are revalued on an annual basis.

1.7 Revaluation of properties

Individual freehold and leasehold properties are revalued to fair value every year with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the Consolidated Statement of Comprehensive Income.

1.8 Intangible assets

Separately acquired computer software is included at cost and amortised in equal annual instalments over a period of 5 years which is their estimated useful economic life.

BROADWAY LIVING LIMITED

NOTES TO THE CONSOLIDATED and PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st March 2020

1.9 Financial instruments

Financial assets and financial liabilities are recognised when the Group or the Parent Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group or the Parent Company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Consolidated and Parent Company Statement of Financial Position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group or the Parent Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group or the Parent Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group or the Parent Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Equity instruments

Equity instruments issued by the Group or the Parent Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(iii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

BROADWAY LIVING LIMITED

NOTES TO THE CONSOLIDATED and PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st March 2020

1.10 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group or the Parent Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Consolidated and Parent Company Statement of Financial Position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Consolidated and Parent Company Statement of Financial Position date. Timing differences are differences between the Group or Parent Company's taxable profits and its results as stated in the Consolidated and Parent Company Financial Statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the Consolidated and Parent Company Financial Statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the Consolidated and Parent Company Statement of Financial Position date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment are measured using the revaluation model. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group or Parent Company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group or the Parent Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group or the Parent Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

BROADWAY LIVING LIMITED

NOTES TO THE CONSOLIDATED and PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st March 2020

1.11 Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the Consolidated and Parent Company Statement of Financial Position date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the Consolidated and Parent Company Statement of Financial Position date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

1.12 Leases

(i) The Group and the Parent Company as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Consolidated Statement of Comprehensive Income over the term of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

(ii) The Group and the Parent Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.13 Borrowing Costs

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. Capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.]

2. FINANCE COSTS (NET)

	2020	2019
	£	£
Interest receivable and similar income	(2,975)	-
Interest payable and similar charges	549,964	505,800
	<u>546,989</u>	<u>505,800</u>

3. LOSS BEFORE TAXATION

The loss before taxation is stated after charging:

	2020	2019
	£	£
Depreciation	78,899	81,592
Auditor's remuneration:		
- In their capacity as auditor's of the Consolidated Financial Statements	15,600	14,400

BROADWAY LIVING LIMITED

NOTES TO THE CONSOLIDATED and PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st March 2020

4. TANGIBLE ASSETS

	Assets Under Construction £	Land and buildings £	TOTAL £
<u>Cost or valuation</u>			
At 1st April 2018	-	10,000,000	10,000,000
Additions	57,398	-	57,398
Revaluation	-	371,000	371,000
At 31st March 2019	57,398	10,371,000	10,428,398
Additions	3,436,875	-	3,436,875
Revaluation	-	153,000	153,000
At 31st March 2020	3,494,273	10,524,000	14,018,273
<u>Depreciation</u>			
At 1st April 2018	-	-	-
Charge for the year	-	78,942	78,942
Adjustment on revaluation	-	(78,942)	(78,942)
At 31st March 2019	-	-	-
Charge for the year	-	78,899	78,899
Adjustment on revaluation	-	(78,899)	(78,899)
At 31st March 2020	-	-	-
Net book value at 31st March 2019	57,398	10,371,000	10,428,398
Net book value at 31st March 2020	3,494,273	10,524,000	14,018,273

Land and buildings were professionally valued by an independent chartered valuation surveyor (Geoffrey Murray MRICS) on an open market valuation basis by capitalising the actual rental income using an appropriate yield. This relies on comparison with other properties in the area, together with published information on gross yields and knowledge of the area and market.

The effective date of the revaluation was at 31st March 2020.

Land and buildings are valued annually, valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors (RICS). As at the valuation date, the valuer considers that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The on-going response to Covid-19 has caused extensive disruptions to business and economic activities, meaning that valuers are faced with an unprecedented set of circumstances on which to base a judgement. The valuations are therefore reported on the basis of 'material valuation uncertainty' per the RICS Red Book Global.

BROADWAY LIVING LIMITED

NOTES TO THE CONSOLIDATED and PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st March 2020

4. TANGIBLE ASSETS (continued)

The comparable amounts under historical cost accounting basis are:

	2018/19	2019/20
	£	£
Cost	9,842,364	9,842,364
Depreciation	(170,414)	(249,313)
Net book value 31st March	9,671,950	9,593,051

The buildings are secured by a debenture loan of £8,035,000.

Assets Under Construction include capitalised borrowing interest costs of £65,178.

5. INTANGIBLE ASSETS

	Computer Software £
<u>Cost</u>	
At 1st April 2018	18,000
Additions	-
At 31st March 2019	18,000
Additions	-
At 31st March 2020	18,000
<u>Amortisation</u>	
At 1st April 2018	15,350
Charge for the year	2,650
At 31st March 2019	18,000
Charge for the year	-
At 31st March 2020	18,000
Net book value at 31st March 2019	-
Net book value at 31st March 2020	-

6. DEBTORS

	Group & Company 2020 £	Company 2019 £
Amounts falling due within one year		
Trade debtors	102,277	34,452
Accrued income	115,450	30,099
Bad debt position	(112,147)	-
	105,580	64,550

BROADWAY LIVING LIMITED

NOTES TO THE CONSOLIDATED and PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st March 2020

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group & Company 2020 £	Company 2019 £
Trade creditors	13,225	-
Accrued costs – operations	276,469	67,121
Accrued costs – AUC	576,542	-
Accrued interest	1,452,749	1,059,606
Rents receipts in advance	13,024	-
Tenancy deposits	2,492	-
	<u>2,334,501</u>	<u>1,126,727</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group & Company 2020 £	Company 2019 £
Loans with the London Borough of Ealing	<u>10,703,083</u>	<u>8,035,000</u>

The loans are secured against the properties at the Eastcote and Ruislip schemes and interest on the loans range between 5.94% to 6.09% and the Eastcote loan is repayable over 40 years, whilst the Ruislip loan is repayable over 33 years. During the year the Council provided loans for the Westgate development at an interest rate of 5%.

9. RELATED PARTY DISCLOSURES

Broadway Living Limited is a wholly owned subsidiary of Ealing Council. The Director of Growth and Sustainability and the Director of Community Development acted as Directors of Broadway Living Limited during the financial year, both resigned on 9 November 2020 and from 9 November 2020 replaced by The Planning and Resources Strategic Lead Children's Service and Head of Corporate Health and Safety.

Broadway Living Limited has received debt financing from the Council for the lease of residential units currently included within the Consolidated and Parent Company Statement of Financial Position.

Leased start date: 1st November 2015, Eastcote 125 years Lane £1.642m.

Leased start date: 5th May 2017, Ruislip Road 125 years £8.200m.

Broadway Living Limited took out a one-year operating lease with Ealing Council for units 106 and 108 Abbotts Road on the 1st February 2019, which is renewed annually, the annual financial commitment of £32,838 (£29,632 in 2019), is included within Cost of Sales in the Consolidated Statement of Comprehensive Income.

Broadway Living Limited total short-term debtors attributable to Ealing Council is £96,533.

The total outstanding borrowing excluding interest is £10,703,083. New Borrowing of £2,668,083 was received in 2019/20 from the Council to fund the Westgate Development.

BROADWAY LIVING LIMITED

NOTES TO THE CONSOLIDATED and PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st March 2020

9. RELATED PARTY DISCLOSURES (CONTINUED)

Broadway Living Limited total short-term creditors attributable to Ealing Council is £152,664 and interest accrued on Eastcote and Ruislip loans is £1,387,571 and as Broadway Living Limited has adopted a policy of capitalising borrowing costs the Westgate development loan interest is £65,178.

10. ULTIMATE CONTROLLING PARTY

The immediate and ultimate parent undertaking is the London Borough of Ealing. The Group's Consolidated Financial Statements are not consolidated in the London Borough of Ealing Statement of Accounts, the smallest and largest undertaking for the Group is a member and, on the grounds, it is immaterial to those accounts.

The registered office of the London Borough of Ealing is 4th Floor, Perceval House, 14 - 16 Uxbridge Road, Ealing, London, W5 2HL.

11. PRIOR YEAR ADJUSTMENTS

During the year it was identified that no deferred tax had previously been recognised on the revaluation of buildings within the Consolidation and Parent Company Financial Statements. A calculation has been performed to calculate the deferred tax liability that should have recognised each year from 2015/16, the year from which the buildings were first revalued.

	Revaluation	Corporation Tax Rate	Deferred Tax Amount
Year	£	%	£
2015/16	19,072	19	3,624
2016/17	107,250	19	20,377
2017/18	122,783	19	23,329
2018/19	449,944	19	85,489

The comparative figures in the Consolidated Statement of Comprehensive Income, Consolidated and Parent Company Statement of Financial Position and Consolidated and Parent Company Statement of Changes in Equity have been updated as follows:

	2019 £	Adjustment £	Restated 2019 £
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
Deferred taxation arising on the revaluation of tangible fixed assets	-	(85,489)	(85,489)
CONSOLIDATED and PARENT COMPANY STATEMENT OF FINANCIAL POSITION			
Provisions for liabilities: deferred taxation	-	(132,819)	(132,819)
Reserves: revaluation reserve	699,048	(132,819)	566,229
CONSOLIDATED and PARENT COMPANY STATEMENT OF CHANGES IN EQUITY			
Revaluation reserve:			
As at 1 st April 2018	249,107	(47,330)	201,777
Deferred taxation arising on the revaluation of tangible fixed assets	-	(85,489)	(85,489)